UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
40th meeting
held on
Thursday, 14 December 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 40th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

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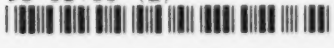
Distr. GENERAL
A/C.5/50/SR.40
6 February 1996

ORIGINAL: ENGLISH

95-82753 (E)



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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 149: REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES (continued) (A/49/891, A/49/892; A/50/449, A/50/459 and Add.1, A/50/791 and A/50/959)

1. Mrs. RODRIGUEZ ABASCAL (Cuba) expressed satisfaction with the improvements in the format of the report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/50/459). She welcomed the increase in internal oversight activities observed since the establishment of the Office of Internal Oversight Services (OIOS). That was of great importance since the primary purpose of the office's activities was to ensure the implementation of programmes mandated by Member States and to achieve greater efficiency in their implementation. The General Assembly should decide how the Office's reports were considered by the various intergovernmental bodies, otherwise the whole purpose of the reports would be defeated. The resolution to be adopted on the matter should be based on an in-depth study of the procedure for the submission of those reports.

2. Her delegation fully supported the views expressed by the Under-Secretary-General for Internal Oversight Services concerning the need to strengthen cooperation with programme managers in a climate of trust and mutual support. It was, however, concerned at attempts to promote the establishment of other bodies whose work would clearly overlap with that of the Office, such as the Efficiency Board. The General Assembly had to decide whether to agree to the establishment of that controversial and discriminatory Board and simplify the mandate of OIOS with the corresponding reduction in resources that that would imply. Resolution 48/218 B, which had been adopted by consensus as a result of a compromise among Member States, clearly showed that the mandate of OIOS was strictly limited to internal supervision of the United Nations and its various activities and that it had no bearing on the other organizations of the system. The term "internal" circumscribed the Office's sphere of influence. Furthermore, it was plain from paragraph 11 of resolution 48/218 B that cooperation between OIOS and the operational funds and programmes was to be studied by the executive boards of those funds and programmes. Regrettably, however, a completely distorted interpretation had been given to the provisions of that paragraph. Her delegation intended to ensure that the resolution to be adopted on the item under consideration reflected the decisions previously adopted.

3. The operational independence conferred on OIOS was intended to contribute to its efficiency but in no way did it mean that that independence should be exercised to the detriment of the functions and attributions of other offices. It was surprising and unacceptable that the Secretary-General, in his bulletin ST/SGB/273, should have decided to give OIOS powers of appointment, promotion and termination of staff contracts. She requested a detailed explanation of that anomaly and, in particular, of the reasons leading to the decision. The matter should be the subject of an in-depth discussion during negotiations on a draft resolution on the item under consideration.

4. The Office's oversight priorities should be based not only on the existing situation in the difference spheres of the Organization's work but also on decisions previously adopted by the General Assembly. For that reason, her delegation did not agree, as was implied in paragraph 5 of the introductory note by the Secretary-General, that the determination of the strategic priorities of the Organization fell within the scope of the Secretariat. Decisions of that nature were of a strictly intergovernmental nature and should be recognized as such.

5. Although the comments contained in the report of the Joint Inspection Unit (JIU) on the final reports of OIOS (A/50/459/Add.1) were very useful, it was regrettable that JIU had been unable to follow up on them since it lacked access to the original records. An effort should be made to overcome that procedural obstacle. She appreciated the Unit's need to receive documents early enough to enable it to complete its own reports and supported its recommendation that the General Assembly should consider only those reports that had been commented on by JIU. She also supported the recommendation in paragraph 27 of the JIU comments that the Secretariat should provide the General Assembly with transparent information on the consulting firms it contracted out to and the source of financing for outside experts and consultants.

6. Mr. HANSON (Canada), speaking also on behalf of Australia and New Zealand, welcomed the frank and robust manner in which OIOS was addressing its mandate. Shortcomings were being clearly reported and sound recommendations were being made. The deficiencies and weaknesses in the rules and regulations, a cumbersome personnel system, insufficient management and administrative skills, inadequate horizontal and vertical communication and the tendency to shun accountability and responsibility were important issues that must be given priority consideration by the Secretary-General. The three delegations agreed that the approach should be a systematic and thorough one and should not be aimed at spectacular, short-lived actions. They agreed that the high risk areas of peace-keeping, humanitarian and procurement activities should remain the highest priorities and that more intensive audit coverage was needed in peace-keeping procurement programmes and electronic data-processing. Management audit and consultancy activities would also have to be strengthened. They supported the call for additional resources for OIOS through the reallocation of existing resources.

7. The formal adoption of a set of internal control standards for the United Nations would confirm the support of the senior management for internal controls and its determination to establish an effective internal control structure. The three delegations agreed that the United Nations should adopt generally accepted internal control standards such as those issued by the International Organization of Supreme Audit Institutions and that those standards should be properly applied.

8. The United Nations managers should be aware that the establishment and maintenance of an effective internal control system was a managerial responsibility which could not be left only to the oversight services. Because of the authority they exercised, United Nations managers should be accountable, face criticism and be held responsible for their actions and decisions. He was pleased to note that monitoring and self-evaluation would be an integral part of

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managerial oversight responsibility. It was the responsibility of programme managers to request the generation, on a regular basis, of data and analytical information on implementation and results achieved, including the use of achievement indicators where appropriate. The general guidelines being prepared for the establishment of such managerial oversight functions would be valuable. The same applied to the informal briefings which the Under-Secretary-General for Internal Oversight Services intended to provide on a quarterly basis to the Fifth Committee.

9. The Joint Inspection Unit and the Board of Auditors had an important role to play in the coordination of oversight activities. He expressed the hope that the problems experienced by JIU would be rectified promptly, but did not accept that it was necessary for the Unit to comment on the reports of OIOS before the General Assembly and the Committee considered them. The Officer's reporting relationship to the General Assembly should not, however, be attenuated in any way, nor should its operational autonomy or independence be infringed upon in any manner.

10. The host of financial management deficiencies revealed by OIOS audits of various peace-keeping operations demonstrated the value of such audits in establishing a pool of knowledge to improve the managerial aspects of peace-keeping operations generally. It should always be borne in mind that such operations invariably involved considerable amounts of taxpayers' money. The three delegations agreed with the emphasis on the audit of the start-up phase of peace-keeping operations.

11. The three delegations were concerned about the many deficiencies noted by OIOS in all phases of the procurement process. Such a situation was unacceptable and should be treated as a priority by the Secretariat, given the considerable sums of money involved. OIOS should continue to monitor actively progress in procurement reform. With respect to the investigation of misappropriation and the fraudulent encashment of travellers cheques, the three delegations were pleased to note that the United Nations was determined to pursue court action to punish violators and recover its assets.

12. With respect to savings, the three delegations believed that the General Assembly should be kept fully abreast, on a regular basis, of the cost savings and recoveries resulting from actions of the Office of Internal Oversight Services (para. 17). It would also be helpful if the annual report included an annex listing all reports issued by the Office in the period under review together with their document symbols. Proper internal controls would increase the confidence of Member States in the management of the Organization's operations and he urged managers to make an effort in that direction as soon as possible.

13. The three delegations could not accept the comments that had been made regarding the formation of an Efficiency Board and reserved the right to speak on the subject again at a later date.

14. Mr. DEINEKO (Russian Federation) said that the report on the activities of OIOS (A/50/459) should give Member States no cause for complacency. The establishment of the Office had merely been the first step in the painstaking

process of strengthening financial control, ushering in a new management culture and combating financial irregularities. The Office needed the support of Member States, and his delegation was prepared to cooperate actively with the Secretariat and other delegations to achieve that goal.

15. His delegation welcomed the Office's decision to focus on areas involving a high volume of financial resources where inefficient practices would have the most serious impact. He hoped that, in the future, OIOS would cast its net wider.

16. One area that required attention was the coordination of United Nations programmes and funds (such as the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF)) in the field of humanitarian and emergency aid with a view to avoiding duplication, increasing the productivity and usefulness of such aid to its recipients, and tightening up distribution procedures. In some cases, aid was not reaching the targeted recipients.

17. His delegation had been particularly impressed by the reports of OIOS on certain regional commissions, the Centre for Human Rights, the United Nations Protection Force project for the hiring of international contractual personnel, and the review of the operations of the Field Administration and Logistics Division. Regrettably, however, recommendations in the United Nations system often remained a dead letter owing to the inertia and resistance of the executive apparatus. The prospect that a similar fate awaited the recommendations of OIOS was unacceptable. He urged the Office to monitor closely the implementation of the recommendations it had made and to report to the General Assembly on compliance therewith. A system of clear-cut and prompt compliance was an extremely important element of the Organization's work culture and his delegation welcomed the initial efforts that OIOS had made to establish appropriate mechanisms to achieve it.

18. In that context, he noted that the imperfections and obsolete nature of the Financial Regulations and Rules were often cited to justify financial violations, and that the report of OIOS alluded to the problem directly. In almost 50 per cent of financial violations, the issue involved failure to comply with existing rules, regulations and instructions. That was unacceptable. The Financial Regulations and Rules should be strictly complied with until such time as they were amended; in any case they were sufficiently flexible to allow for some leeway without the need for violations. His delegation urged the Office to monitor compliance.

19. He noted with satisfaction the savings that had been achieved as a result of the Office's work, but said that they merely represented the tip of the iceberg. Much remained to be done. With regard to outstanding sums which had been earmarked for repayment (as a result of overpayment or fraud), OIOS should take a principled position and ensure that the money was indeed returned. The results of its efforts in that area should appear in its next annual report.

20. His delegation noted that there had been problems regarding internal audit, evaluation and programme monitoring and consultation with programme managers. In order to overcome those problems, it was necessary to develop a constructive

attitude to internal oversight on the part of all the links in programme management, including the Organization's senior management. Common internal oversight standards had a central role to play in that process. The Office needed to intensify its work on the adoption of internal oversight standards which should become a benchmark for appraising existing oversight structures and a guide for the work of all components of the management structure of the United Nations Secretariat. It would then be possible to question programme managers about their compliance with such standards. The Office's proposal that standard management principles should be developed for the implementation of projects deserved close study. Such principles would significantly simplify and regulate the appraisal of projects and the monitoring of their implementation.

21. Mr. ELZIMAITY (Egypt) noted that, during its overview of peace-keeping operations, OIOS had identified serious problems with respect to procurement policy as well as asset and inventory control. He called upon the Field Administration and Logistic Division to address, on an urgent basis, the managerial deficiencies identified by the Office in order to ensure support for peace-keeping operations.

22. In order to understand more clearly the modalities of the Office's operations, his delegation would appreciate receiving sufficient information on the criteria used to distinguish between problems which required an "inspection" and those which required an "investigation". It wished to know more about the conceptual approach and methods of work for both cases.

23. He also sought clarification on the aspect of the Office's work relating to management improvement and on the idea of formulating a set of internal control standards as a means of raising managerial support for system-wide controls and providing a benchmark for evaluating those already in place.

24. His delegation wished to express serious concern over the establishment by OIOS of an appointment and promotion panel of its own. In its view, such a panel would not fall under the heading of "operational independence" as specified in resolution 48/218 B. Its concern stemmed from the fact that there was no clear "equitable geographical distribution" at the senior level in OIOS. The practice is selecting staff on a different basis from that used for the selection of other staff members should be terminated.

25. With respect to the format of the report of OIOS, he said it was inappropriate to try to attract the reader's eye by filling the report with headlines. The reports of OIOS were meant to be read in their entirety. The reader should be allowed to decide for himself on the issues and no attempt should be made to influence him with headlines that were more appropriate for the media. Since OIOS was an integral part of the Secretariat, it should make a positive contribution to the improvement of the public image of the United Nations. He hoped that in future reports the programme managers concerned would be given sufficient time to comment on the Office's specific recommendations so that the General Assembly would be presented with reports that not only identified areas where there were deficiencies but also included assurances that the corrective measures recommended by OIOS would be implemented by the programme managers.

26. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services) said that the keen interest paid by Member States to internal oversight in the United Nations was the best leverage they could provide to the Office to improve acceptance of its recommendations throughout the Organization. He stressed that the Office could only make recommendations; the actual changes had to be executed by the competent department heads and unit chiefs, who would be more inclined to carry out those recommendations if they were conscious of the attention of Member States.

27. In response to a comment made by the representative of Norway and an observation made by the representative of Spain speaking on behalf of the European Union, he said he agreed that no amount of mismanagement or fraudulent activity could ever be justified or tolerated. With respect to waste and inefficiency, much more could and must be done in the Organization and OIOS considered its main task to be that of ferreting out waste and inefficiency.

28. Responding to a question put by the representative of Spain, again speaking on behalf of the European Union, he said that the Evaluation Unit of OIOS would review implementation as part of the Office's compliance review. Furthermore, a report on the prototype of budgeting for peace-keeping (A/50/319) had recently been submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and would be reviewed by it in due course. With respect to the recommendations of the High-level Group on Procurement and the current situation of the revised manuals of the operation proceedings for logistics and procurement, he said he had been advised by the Department of Administration and Management that the Assistant Secretary-General for Conference and Support Services would brief the Committee when he presented his report on the implementation of procurement reform under agenda item 117 and that he would be prepared to answer all pertinent questions.

29. With respect to the Office's role in changing the management culture of the United Nations - a question which had been raised by the representative of Japan, he said he believed that it had already made a number of significant changes after only one year. He was happy to report that the Department of Peace-keeping Operations had recently created a Lessons Learned Unit as a direct result of the recommendations in two evaluation reports prepared by OIOS. That a Unit had begun to collect existing documentation and to commission assessments of completed missions. A review of its work and of the fundamental work that still remained to be done would appear in a report to be submitted to the Committee for Programme and Coordination (CPC) at its next session.

30. He also hoped to promote a more demand-driven approach to management in the economic and social sectors and to increase diversity in the forms of United Nations products with less emphasis on general studies and more on services from United Nations databases tailored to the needs of individual countries and other users. CPC had endorsed all the recommendations of OIOS and had recorded its appreciation of the evaluation.

31. Changes in management culture would have to be achieved gradually. One step would be to the establishment of clear guidelines restricting the use of official United Nations aircraft for unofficial "rest" purposes. The Department of Peace-keeping Operations had been responsive to the Office's audit

recommendations and had shown determined efforts to bring about a change in management culture which would have a considerable impact on the reputation of the Organization and its management.

32. The newly established Management Consulting Section, which was expected to be fully staffed and operational by early 1996, would help to streamline procedures and enhance the efficiency and effectiveness of operations. It was the responsibility of managers, however, to develop internal control systems aimed at ensuring that programme objectives were met, regulations were observed, resources were adequately safeguarded and efficiently utilized, and reliable data were maintained. Audits had shown that there was widespread failure to adhere to control standards in the areas of documentation and recording, separation of duties and responsibilities, and access to and accountability for resources. Some managers still believed that the documentation of decisions and transactions was a bureaucratic requirement which only impeded lean and flexible management. There were still mission chiefs who authorized their own travel, and staff members who had unauthorized access to assets or information. A formal set of internal control standards would raise awareness among United Nations managers of the basic principles of sound management, thereby strengthening the system of accountability.

33. Responding to the statement made by the representative of the United States of America, he noted that OIOS auditors were never satisfied with identifying losses and initiating action aimed at their recovery. Their aim was to identify the systemic weaknesses that allowed the losses to be incurred in the first place and to make recommendations for improving the system in order to preclude further losses. Whenever OIOS felt that losses were due to the violation of regulations and rules or to negligence on the part of the officials involved, it urged management to initiate disciplinary action and to seek the recovery of the funds from the individuals responsible. A system to monitor the actions taken by the Administration had also been established by OIOS.

34. He was encouraged by the work that was being done to restructure the Centre for Human Rights and by the new spirit that was evident among the Centre's management and staff. OIOS would continue to monitor the results of the reform measures that were under way.

35. Responding to the question put by the representative of Cuba concerning the relationship between the work of OIOS and that of funds and programmes which were administered separately, he said that a report would shortly be issued which would review the existing situation and make recommendations for improving that relationship.

36. He welcomed the useful suggestion by the representative of Canada that the next annual report of OIOS should include a list of all the reports issued by the Office during the reporting period. Replying to the representative of Egypt, he said that an inspection was a short-term review of the situation in any given unit of the Organization aimed at identifying management weaknesses and making appropriate recommendations for correcting them, while an investigation was aimed at identifying situations in which regulations and rules of the Organization had been violated. As for the use of the headlines technique in the report of OIOS, he said it had been used to good effect in

United Nations sales publications and was intended to provide summaries and to highlight key ideas in the text. OIOS would, however, take the views and suggestions of all delegations into account in preparing its next report.

AGENDA ITEM 159: HUMAN RESOURCES MANAGEMENT (A/C.5/49/13, A/C.5/49/60 and Add.1 and Add.2 and Add.2/Corr.1; A/50/7/Add.8, A/50/540; A/C.5/50/2 and Add.1, A/C.5/50/3, A/C.5/50/32; A/C.5/50/L.2)

37. Mr. CONNOR (Under-Secretary-General for Administration and Management), introducing the report of the Secretary-General on the reform of the internal system of justice in the United Nations Secretariat (A/C.5/50/2 and Add.1), said that the existing system of administration of justice for staff grievances, appeals and disciplinary procedures was ponderous and complex, painfully slow in settling cases and quite expensive in terms of staff resources and time consumed. The system, which had been established many years earlier for a few thousand staff members and only a few cases a year, currently covered some 14,800 staff members and had a much heavier workload.

38. The new system being proposed by the Secretary-General would seek more informal resolution of disputes, more professional and expeditious appeal and disciplinary machinery, and a much simpler and more cost-effective justice system overall. The cornerstone of the proposed reform was the professionalization of the legal process in which arbitrators would replace volunteers on the Joint Appeals Board. The Chairpersons of the proposed Arbitration Board, who would be highly experienced professionals, would also preside over the new Disciplinary Board panels. If properly implemented, professionalization would be the key to the achievement of the just, transparent, simple, impartial and efficient system of internal justice called for by the General Assembly.

39. In its report on the reform of the internal system of justice (A/50/7/Add.8), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) endorsed a number of measures designed to reinforce the main reform, namely the professionalization of the system. However, it recommended that more work should be done before the creation of an Arbitration Board was further considered by the General Assembly (para. 31). That, in effect, would postpone the very core of the reform until some undetermined time in the future, a delay which the Secretary-General wished to avoid. The parts of the reform endorsed by the Advisory Committee included additional training, the creation of a post of Coordinator for the new ombudsman panels, and the creation of new posts for the administrative review function and for the Panel of Counsel.

40. All of those proposals, however, were only parts of an integrated whole programme aimed at enhancing the professionalism of the justice system. A partial approach could only be marginally effective, since none of the partial measures addressed the root cause of the problem, namely, the volunteer nature of the current justice system. The number and complexity of the cases were such that volunteers were no longer available in sufficient numbers and those who were available might not possess the required technical knowledge. The current system was slow, inefficient, extremely costly, and did not produce advice which the Secretary-General could accept without an independent, in-depth and costly analysis of the facts of the case. As a result, many recommendations were

rejected. While the Joint Appeals Board had been performing commendably over the years, despite those weaknesses, the system was currently unable to function in a manner compatible with good administration and accountability. The substantial expenditure required by the piecemeal reform recommended by the Advisory Committee would hardly be justified at a time of severe financial crisis. Moreover, the results of such a reluctant reform could only be marginal, since the system would be neither professionalized nor made more efficient. An enormous amount of work had already been done in elaborating the reform proposed by the Secretary-General and any refinement that might be necessary could be made as the process unfolded. There was no need to delay; it was time to take meaningful steps towards change.

41. After first expressing support for the reforms, the staff had withdrawn their support on the grounds that the reforms did not go far enough or omitted features that the staff would have liked. The Administration would fully honour its agreement that the staff would play an active role in the selection process for the arbitrators and for the Coordinator of the ombudsman panels, in keeping with Article VIII of the Staff Regulations.

42. The deletion of article 11 of the Statute of the Tribunal had not been part of the Secretary-General's reform proposal but had been recommended to the General Assembly by the Sixth Committee as a result of the initiative of a number of Member States. If article 11 was deleted, the Tribunal would become the final instance of appeal: that should serve as an added incentive for staff to cooperate with the Administration in establishing a fair, efficient and professional system.

43. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the reform of the internal system of justice in the United Nations Secretariat (A/50/7/Add.8), said that the Advisory Committee welcomed the Secretary-General's proposals aimed at enhancing earlier reconciliation and resolution of disputes before they developed into formal litigation and recommended approval of the resources requested for their implementation.

44. With regard to the most radical and controversial of the Secretary-General's proposal, namely that the Joint Appeals Board (JAB) and the Joint Disciplinary Committee (JDC) should be replaced by an Arbitration Board and a Disciplinary Board respectively, he said that numerous concerns had been raised about the proposed changes by the staff, the Administrative Tribunal and the Advisory Committee. After careful consideration, the Advisory Committee had concluded that the time was not yet ripe to implement the proposed changes and that more work should be done before the creation of an Arbitration Board was further considered by the General Assembly. The Advisory Committee further believed that the fostering of conciliation and the early resolution of disputes, the strengthening of the Administrative Review Unit and the Panel of Counsel, and the simplification/rationalization of existing administrative and personnel practices should address in a positive way the problems and shortcomings that currently existed. After a reasonable period of implementation, the effect of those changes should be evaluated with a view to determining what further measures might be necessary.

45. Ms. KING (Deputy to the Assistant Secretary-General for Human Resources Management) introduced the reports of the Secretary-General on the composition of the Secretariat (A/50/540), the list of staff of the United Nations Secretariat (A/C.5/50/L.2), amendments to the Staff Rules (A/C.5/50/32), and respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (A/C.5/50/3).

46. The report on the composition of the Secretariat (A/50/540) was intended to facilitate an assessment of the distribution of Secretariat staff by nationality, gender, grade and type of appointment, in the light of the principles set forth in the Charter and the guidelines contained in various General Assembly resolutions.

47. The annual list of staff of the United Nations Secretariat (A/C.5/50/L.2) showed the composition of the Secretariat as of 30 June 1995. The list had been compiled on the basis of information contained in the Integrated Management Information System and the computerized personnel master file. It contained the names of only those staff members who, on 30 June 1995, held appointments of one year or more or who, as of that date, had completed at least one year of continuous service. The list was organized by department and office, by nationality and in alphabetical order.

48. Those two reports revealed much about the profile of the Secretariat staff. The number of unrepresented States had been reduced from 28 to 25 and the number of States within range had been increased from 111 to 116. In the area of recruitment, of the 135 appointments made, 40 per cent had been candidates from developing countries and 45 per cent had been women. In order to reduce the number of unrepresented and underrepresented Member States, national competitive examinations had been held in 19 of those States during 1995. Appointments to posts subject to geographical distribution during the reporting period included 54 candidates from the P-2/P-3 national competitive examinations, representing 40 per cent of all such appointments. Significant improvements had also been made in the levels of representation of women in the Secretariat, both in posts subject to geographical distribution and in posts at the D-1 level and above. The report of the Secretary-General on the improvement of the status of women in the Secretariat (A/50/691) contained additional information on activities undertaken during the previous year to improve the status of women in the Secretariat.

49. The Secretary-General's report on amendments to the staff rules (A/C.5/50/32) concerned the 100 and 200 series of the Staff Rules. All of the amendments to the 100 series had been made to implement prior decisions of the General Assembly. With regard to expatriate benefits, the General Assembly had decided, in resolution 49/241, that expatriate benefits should be limited to staff who both worked and resided in a country other than their home country. Staff rules 103.20 on the education grant and 105.3 on home leave were accordingly amended. No action had been necessary on the repatriation grant, which was governed by Annex IV to the Staff Regulations. That Annex had been amended by the Assembly itself in resolution 49/241.

50. Staff rule 103.20 on the education grant had been amended to reflect the decision of the General Assembly in resolution 49/223, which approved the

recommendations of the International Civil Service Commission for various ceilings applicable to education grant claims, depending on the currency area in which the educational expenses had been incurred.

51. A new staff rule 104.15 provided that candidates successful in competitive examinations administered in accordance with General Assembly resolutions 33/143, 35/210, and 49/222 A (I), were appointed at the P-1, P-2 and P-3 levels, or promoted from the General Service and related categories to the Professional category on the recommendation of Boards of Examiners. A consequent change had been made to staff rule 104.14 to clarify that the appointment or promotion of candidates successful in the competitive examinations administered in accordance with General Assembly resolutions did not require further review by the Appointment and Promotion Board.

52. Finally, staff rule 112.6 had been amended in compliance with General Assembly resolution 49/222 A (I), in which the Secretary-General had been requested to apply the new Performance Appraisal System to all staff, including at the Under-Secretary-General level.

53. The amendments to the 200 series, which introduced into that series the same changes as those made in the 100 series, were outlined in paragraphs 11 to 15 of the report (A/C.5/50/32).

54. She drew the Committee's attention to the two reports of the Secretary-General on the costs of staff representation activities (A/C.5/49/63 and 64), which had been introduced by the Assistant Secretary-General for Human Resources Management at the previous session, on 30 June 1995. The Assistant Secretary-General had briefed the Committee on the considerable agreement reached between staff and management on the definition of "reasonable time" for staff representational activities. She understood that Member States wished to review those reports and she reiterated the readiness of the Office of Human Resources Management to respond to any further queries members might have.

55. With regard to the note by the Secretary-General on the question of respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (A/C.5/50/3), she said that it highlighted cases of abuse of such privileges and immunities between 1 July 1994 and 30 June 1995. All cases involving the death of a staff member that had occurred up to 9 October 1995 had, however, been reported. The primary responsibility for the security and protection of staff members and their dependants rested with host Governments. The ability of staff members to perform their functions in favourable conditions was a crucial factor in the success of the Organization. Yet, despite all efforts to ensure their safety and security, 18 fatalities had occurred amongst the staff since 1 July 1994. The last four had taken place since the note had appeared: they were those of Mr. Francisco Lima (Angola), a UNICEF staff member who had been shot in Luanda on 25 July 1995; Mr. John Adeyemi (Nigeria), a UNICEF staff member who had been shot in Lagos on 10 November 1995; Mr. William Jefferson (United States), a staff member of the United Nations Population Fund (UNFPA) who had been shot in Tuzla, Bosnia and Herzegovina; and Mr. Ahmed Abdilkadir Tawane (Somalia), a UNICEF staff member who had been shot near Mogadishu on 22 November 1995. Regrettably, none of the assailants involved in those cases had been identified

or brought to justice. Annex II provided a consolidated list of staff members who were still under arrest, in detention or missing as of 30 June 1995. Such cases were a matter of great concern. The situation of national staff belonging to United Nations organizations in Rwanda was particularly precarious. In conclusion, she emphasized that respect for the privileges and immunities of officials was one of the paramount conditions guaranteeing the effective exercise of the responsibilities entrusted by Member States to the organizations of the United Nations system.

56. Mr. KAFOOD (Qatar) stressed the importance of human resources management to the attainment of the noble objectives of the Charter of the United Nations. He welcomed efforts by the Secretariat to improve the mechanisms involved, which he was sure would be fruitful. His delegation attached particular importance to the need to guarantee the safety and security of staff members, particularly those in dangerous posts. It was also essential to respect the balance between men and women in the composition of the Secretariat and to ensure that underrepresented States were properly represented. He noted that about 25 States were unrepresented and another 25 or so, including his own, were underrepresented, while other States were either within range or overrepresented. The problem needed to be addressed. There were also not enough nationals of developing countries in senior or policy-making posts. Equitable geographical representation was in the interests of all Member States, but particularly of the underrepresented States. In that context, he said he was in favour of competitive examinations to give nationals from underrepresented countries access to senior posts.

57. The CHAIRMAN suggested that, because of the lack of time, the Committee should defer consideration of the item until the Committee resumed its work the following spring, pending consideration by the Sixth Committee of the legal implications of the Secretary-General's proposal regarding the reform of the internal system of justice.

58. Mrs. GRAHAM (United States), supported by Mr. MUÑOZ (Spain), speaking on behalf of the European Union, expressed concern over that suggestion.

59. The CHAIRMAN said that the item should be deferred because the Sixth Committee had concluded its work for the current session. A general discussion on the issue would continue at the next meeting of the Fifth Committee and informal consultations would also take place. Discussion of the content, however, should be left until the spring.

60. Mrs. RODRIGUEZ ABASCAL (Cuba) welcomed the fact that consultations would continue, but stressed that the issue should be discussed in the Sixth Committee.

61. Mr. TEIRLINCK (Belgium) pointed out that little time was left and it might not be possible to have informal consultations on every issue. The Committee should therefore confine itself to items on which real progress could be achieved.

62. Mr. GODA (Japan) said that his delegation supported the purposes of the proposed reform of the internal system of justice, as outlined in paragraph 6 of

the report of the Secretary-General (A/C.5/50/2). He regretted that, according to its report (A/50/7/Add.8), the Advisory Committee had not concluded its review.

63. With regard to the Staff Rules, his delegation welcomed the amendment that made it clear that competitive examination was the only means by which appointments to posts at the P-1 and P-2 levels could be made and was the normal basis for appointment to P-3 posts. His Government strongly supported the holding of national competitive examinations. In that connection, the decision by the Secretary-General to suspend the granting of permanent and probationary appointments was not acceptable to his Government, since it was a retroactive cancellation of the entitlements of current personnel and of those who had passed the national competitive examination. He deeply regretted that the Assistant Secretary-General for Human Resources Management continued to underestimate the concern felt regarding that issue by Member States, including Japan. His delegation had not requested a "compromise", but a rescindment of the decision.

64. With reference to the announcement regarding applications by staff members to take the national competitive examination (ST/IC/1995/80), he understood that the total number of posts to be selected through the G to P examination amounted to 30 per cent of the number of vacancies at the P-2 level; it would like confirmation that the number of staff members promoted to the Professional category from other categories was included in that percentage. It also wished to clarify the legislative basis for the G to P-3 examination and its influence on external appointments at the P-3 level and promotions from the P-2 level.

65. Ms. ALMAO (New Zealand) and Mr. SHIN (Republic of Korea) expressed support for the points made by the representative of Japan regarding examinations and the granting of permanent and probationary appointments.

66. Mrs. EMERSON (Portugal) regretted that documents A/C.5/49/63 and 64, which the Assistant Secretary-General for Human Resources Management had introduced during the previous session, had been issued so late that the Committee had been unable to comment on them adequately at the time. She had been informed privately that the Staff-Management Coordination Committee (SMCC) had reached agreement on the definition of "reasonable time"; such information should not be kept secret.

67. The CHAIRMAN invited the President of the United Nations Staff Committee (Headquarters) to make a statement to the Committee.

68. Mr. OUMMIH (President, United Nations Staff Committee (Headquarters)), speaking on behalf of the staff of the United Nations Secretariat, amounting to more than 30,000 serving around the world, said that he was humbled by the enormous complexity of the issues. He hoped that the Committee would continue to keep an open mind on the various personnel questions submitted for its consideration and that it would take into account the views of the staff.

69. One of the most important items before the Committee pertained to the introduction of a revised internal system of justice (A/C.5/50/2 and Add.1). The staff were much in favour of an open and impartial system that protected

both them and the Organization against abuse. It supported the system of justice put forward in documents A/C.5/49/60 and Add.2 and the agreement reached at the Staff-Management Coordination Committee (SMCC) in June 1995. It could not, however, support the report of the Secretary-General in document A/C.5/50/2, from which due process and equity had been deleted. It was unclear why the changes had been made and by whom. The following changes were a matter of concern. First, a detailed process for the joint selection of the Ombudsman Coordinator and the Chairperson, Alternate Chairperson and members of the Arbitration Board, which had been agreed to by staff and management, had been deleted. That was a denial not only of due process, but of the very definition of arbitration, namely that both parties should agree. Second, agreement had been reached specifically for the "strengthening" of the Office of the Coordinator of the Panel of Counsel by the addition of one Legal Officer and one assistant. Third, although the Administration had agreed not to seek any changes pertaining to the Tribunal until 1997, it had proposed the deletion of article 11 of the Tribunal's Statute, thus depriving staff members of access to the International Court of Justice. Although symbolic, that second level of jurisdiction had provided a safeguard against errors and abuses by the Tribunal. That refuge would disappear, leaving the Tribunal as the sole jurisdiction, by contrast with other United Nations tribunals and those of other international organizations.

70. The other crucial personnel issue was the planned introduction of a new Performance Appraisal System. The agreement reached at the latest meeting of SMCC had been altered a posteriori by the Administration with regard to the composition and selection of the Management Review Committee and its role in individual ratings under the system; the fate of the recommendations of rebuttal panels; the right to appeal against the outcome of a rebuttal panel, if it should violate due process and/or contain any extraneous factor when assessing rebutted ratings and/or statements on the performance of a staff member; and the frequency of the Performance Appraisal System. Staff representatives worldwide had supported the system that had been agreed upon because it contained checks and balances. Following the unilateral changes that had been made, they could no longer support it since it was to be supervised by a body extraneous to their daily work, the Management Review Committee. It had therefore requested the Secretary-General's authorization to file an action before the Administrative Tribunal regarding what it considered to be violations of the agreements reached in good faith at the latest meeting of SMCC.

71. In his statement the previous year, he had expressed great enthusiasm about the new administration and management team. Since then, relations between staff and management had, regrettably, become very difficult, to the point where the staff had been obliged to suspend formal consultations with the Administration since 26 September 1995. The consultation process had been tentatively resumed over the past month, although it was still fragile. In accordance with rule 108.1 of the Staff Rules, staff representatives had to be provided with access to the information they needed - including staffing tables - to fulfil their mandate. They should not be transferred forcibly, reprimanded or left without a post when they did not please the head of their department. The role of staff representatives should be reaffirmed as an official function, not undermined by pressure. They should not be treated as an obstacle by the "new management culture". The staff strove for the efficient running of the

Organization and did not seek co-management; nor did they receive instructions from the outside. The staff would always seek the guidance of the Secretary-General in his role as guardian of the Charter of the United Nations and of the Staff Rules and Regulations and as the Chief Administrative Officer of the Organization. The United Nations could not be run as a commercial corporation governed by the dollar, nor was it an assembly line. The staff representative bodies were an integral part of the Staff Rules and Regulations and should be afforded the facilities to perform their functions. The release agreement for the only post that the Coordinating Committee of International Staff Unions and Associations (CCISUA) should therefore not be withdrawn.

72. With regard to the security and independence of the staff, he said that only three Member States had ratified the Convention on the Safety of United Nations and Associated Personnel, which had been adopted by the General Assembly in December 1994, and only 22 had signed it. In view of its importance for the legal protection of United Nations staff members and associated personnel, he urged States to ratify it so that it would become international law. To date, the United Nations had established war insurance coverage for 55 countries. He requested that the coverage should be extended to apply equally to national and international staff, providing 24-hour coverage for all staff members.

73. The staff had long been calling the attention of the Administration to the need to end "back-door" recruitment for contracts of 11 months; such contracts were costly to the Organization, both financially and in terms of efficiency, and had a negative impact on the career development of staff. Hundreds of staff had been recruited without going through the appointment and promotion bodies, with all the abuses that that implied. Furthermore, it was depressing that, while staff were threatened with loss of jobs, retirees had their contracts extended on mission. Immediate action by the Administration was required.

74. With regard to the decentralization of authority, he said that, although it could be effective in conjunction with genuine accountability, there were inherent dangers when excessive authority was given for personnel policy matters. Chief administrative officers of missions, heads of offices away from Headquarters and even individual heads of department and executive officers sometimes interpreted the Staff Rules and Regulations to suit their own needs or to create new personnel policies outside the normal process. All aspects of policy and the granting of exceptions should remain the responsibility of the central management alone.

75. A matter of similar concern was the lack of accountability among managers, which had led to staff demoralization. Both financial and administrative accountability should be enforced and should apply to all staff, including senior officials. It was unreasonable that the staff at large should continue to be held to stricter standards than high-level officials.

76. The staff of the United Nations Secretariat implemented the programmes which the Member States approved. As the staff had a vital interest in an efficient Secretariat, they were concerned that such measures as cuts in specific programmes, the abolition of redundant programmes or departments and the elimination of duplication should be based on a sound managerial analysis and not be the product of political expediency. A reduction in staff numbers

should be the ultimate recourse, envisaged only when all other possibilities of economizing had been exhausted. A recruitment freeze - which the staff had long suggested - was currently in force and the time was therefore appropriate to retrain and redeploy staff in areas affected by cuts. Attrition, agreed terminations and redeployment should be used to the fullest extent possible. Many staff members occupying posts that were to be abolished had not only served the Organization loyally for many years, but also constituted an invaluable human resource that should not be lightly forgone. At the same time, the staff wished to cooperate in the restructuring process and would approach the task as seriously as they had done in a similar retrenchment exercise in 1988-1989.

77. It was imperative that Member States should fulfil their financial obligations towards the Organization so that the Secretary-General could deal with the unprecedented challenges facing the United Nations. There was, however, a need for transparency as to the measures being contemplated or implemented by the Administration to deal with the financial crisis. Instead of eliminating waste and mismanagement, the Administration resorted to petty austerity measures which he believed were counterproductive. It was no solution to suspend the granting of career appointments or to change the schedule for the payment of salaries. Many staff members worked overtime without compensation or were required to meet additional demands made on them, even in the face of physical danger, yet they were made to bear the brunt of the financial crisis. Staff morale was at its lowest point. Many staff members found themselves in situations of unnecessary stress and anxiety about their role and the future of the Organization. That was clearly not what the Member States wanted. The current trend of unfair management practices and an incorrect focus on eroding the rights and conditions of service of the staff reflected a lack of vision and an inability to introduce the reforms which were really necessary.

78. The situation of staff in the General Service and related categories had deteriorated over the years. In addition to suffering the abuses of bad managers, some staff members were required to do more than was covered by their job descriptions, others worked overtime without compensation, while yet others had gone without promotion for 10, 15 or even 20 years. They deserved better; they deserved equal treatment because they were as professional as any other staff member in what they did.

79. The financial crisis and the other problems that he had outlined, added to a defamatory press campaign against the Organization and its staff, had led to extraordinary meetings of the staff in New York and elsewhere, and a protest rally in Geneva. The future was unpredictable, but the United Nations had to find a way to deal with the crisis. The staff were the lifeblood of the Organization and were ready to help to find solutions.

AGENDA ITEM 166: ADMISSION OF THE WORLD TOURISM ORGANIZATION TO MEMBERSHIP IN THE UNITED NATIONS JOINT STAFF PENSION FUND (A/C.5/50/34)

80. Mr. GIERI (Secretary of the United Nations Joint Staff Pension Fund) said that article 3 of the Regulations of the United Nations Joint Staff Pension Fund stipulated that membership in the Fund was open to any "international, intergovernmental organization that participates in the common system of salaries, allowances and other conditions of service of the United Nations and

the specialized agencies". The World Trade Organization (WTO) was such an organization and its staff rules would conform to the common system as a result of amendments that would come into force when WTO membership in the Fund commenced.

81. In 1987/88 the United Nations Joint Staff Pension Board had recommended the admission of WTO to the Fund, and the Fifth Committee had then recommended that the General Assembly should decide in favour of its admission. However, before the matter could be presented to the General Assembly, the Executive Council of WTO had decided to withdraw the application owing to differences among the staff.

82. After considering various options since then, the Executive Council of WTO had decided in May 1995 to recommend to the General Assembly of WTO that the organization should renew its application for membership in the Fund. The Secretary-General of WTO had therefore asked the Standing Committee of the Pension Board to consider the matter at its meeting in July 1995.

83. The Standing Committee had decided that, should the item be included in the agenda of the United Nations General Assembly, the Secretary should consult the staff pension committees of all the Fund's member organizations to obtain their support for the admission of WTO into the Fund, subject to the organization having made the necessary amendments to its Staff Regulations and Rules to conform to the common system. All members of the Pension Board had been consulted.

84. The application of WTO for membership in the Fund had been supported by the States members of WTO, by its administration and staff members, and by the Pension Board. He trusted that the Fifth Committee would refer the matter to the General Assembly for a final decision. If the application was approved, the membership of WTO in the Fund would be effective from 1 January 1996.

85. The CHAIRMAN suggested that the Committee should recommend to the General Assembly that it should decide to admit the World Tourism Organization to membership in the United Nations Joint Staff Pension Fund, in accordance with article 3 of the Regulations of the Fund, with effect from 1 January 1996.

86. It was so decided.

AGENDA ITEM 115: PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued)

87. Mr. THORNE (United Kingdom) said that his delegation had been generally concerned by the extent of Secretariat borrowing from the peace-keeping budget to fund the regular budget. He believed that the legal basis for such borrowing was contained in a General Assembly resolution entitled "Working Capital Fund" and he requested the Secretariat to provide Committee members with a copy of that resolution at the earliest possible opportunity so that they could consider its contents in the context of internal borrowing.

88. Mr. TAKASU (Controller) said that advance copies of the Working Capital Fund resolution would be made available to members of the Fifth Committee.

Revised estimates under section 3. Peace-keeping operations and special missions; section 32. Staff assessment; and income section 1. Income from staff assessment (A/50/7/Add.4; A/C.5/50/27)

89. Mr. TAKASU (Controller) said that, in its resolution 1013 (1995), the Security Council had requested the Secretary-General to establish, as a matter of urgency, an International Commission of Inquiry to collect information and investigate reports relating to the sale or supply of arms and related matériel to former Rwandan government forces. As recommended by the Security Council, the Commission would be composed of six impartial and internationally respected persons, including legal, military and police experts. The Chairman of the Commission would be a United Nations staff member, appointed by the Secretary-General at the D-2 level. The other five members would be made available by Governments, on a non-reimbursable basis, to carry out the activities requested by the Security Council. Their salaries would be paid by the respective Governments concerned. Travel costs and the subsistence allowance in the area of operation would be borne by the United Nations. The Commission would be supported by one Military Observer, eight international staff (one P-4, two P-3, one P-2, one General Service and three Security Officers) and six Local Level Staff.

90. The Commission's financial requirements for 1995 had been estimated at $419,200, which had been included in the budget for the current biennium. The portion for 1996, for the four-month period from 1 January to 30 April 1996, amounted to $742,800. Additional appropriations had been requested amounting to $688,600 under section 3 and an additional $54,200 under section 32, which would be offset by the same amount in income section 1.

91. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew the Committee's attention to paragraph 15 of the Advisory Committee's report (A/50/7/Add.4), which stated that the Secretary-General had indicated that the activities relating to the Commission were of an extraordinary nature and should be dealt with outside the procedures relating to the contingency fund, as provided for in paragraph 11 of annex I to General Assembly resolution 41/213. In that connection, the Advisory Committee recommended that the expenditures for the period from 1 November to 31 December 1995 in the amount of $419,200 gross or $392,100 net should be considered in the context of the second performance report for the biennium 1994-1995. The operations of the Commission in 1996 would give rise to expenditure not exceeding $688,600. Such additional appropriation as might be necessary could be considered by the General Assembly in the context of its review and approval of the proposed programme budget for 1996-1997.

92. Mr. KELLER (United States of America) said that, with regard to the Secretary-General's request for an add-on to the budget for the biennium 1996-1997 in the amount of $688,600 under section 3, his delegation endorsed the Advisory Committee's recommendation. He believed that it was correct to consider the additional appropriation in the context of the Fifth Committee's review and approval of the proposed programme budget for the biennium 1996-1997.

93. His delegation also noted that, while the work to be undertaken by the Commission was very worthwhile, certain aspects of the request needed more

careful consideration. In its comments, the Advisory Committee had implied that the request for additional appropriations was indicative rather than a firm budget submission. For example, given the high level of competence of the existing legal staff in the Secretariat, his delegation questioned the need for an additional P-2 Legal Officer. Moreover, the Advisory Committee itself had pointed out that the provisions for hospitality were excessive.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Revised estimates under section 3, Peace-keeping operations and special missions; section 32, Staff assessment; and income section 1, Income from staff assessment

International Civilian Mission to Haiti (A/50/7/Add.5; A/C.5/50/25)

94. Mr. TAKASU (Controller) said that, by its resolution 49/27 B of 12 July 1995, the General Assembly had approved the recommendation of the Secretary-General to renew the mandate of the joint participation of the United Nations with the Organization of American States in the International Civilian Mission to Haiti (MICIVIH). In the same resolution, the General Assembly had also decided to authorize the extension of the mandate of the United Nations component of the Mission until 7 February 1996. Prior to the adoption of that resolution, a statement had been submitted by the Secretary-General on the programme budget implications of the draft resolution (A/C.5/49/69).

95. As indicated in that statement, the estimated requirements for the United Nations for the extension of MICIVIH for the period from 7 July 1995 to 7 February 1996 would amount to $13,754,100, net of staff assessment. Of that amount, $11,483,700 related to the requirements for the period from 7 July to 31 December 1995 and $2,270,400 for the period from 1 January to 7 February 1996. The requirements for the biennium 1994-1995 had been dealt with in the context of that statement.

96. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendations represented a slight downward revision of the Secretary-General's estimate. Referring to paragraph 7 of the Advisory Committee's report (A/50/7/Add.5), he said that excessive financial provision had been made for United Nations Volunteers; the Advisory Committee preferred to use the July 1995 rate of $4,325 per Volunteer per month as a basis for its recosting. The Advisory Committee also recommended slight reductions in the cost estimates for rental and maintenance of vehicles and communications equipment. Taking all those reductions into account, the Advisory Committee recommended that the General Assembly should appropriate the amount of $2,042,897 under section 3 of the proposed programme budget for 1996-1997. An additional appropriation of $278,200 would be required under section 32, offset by the same amount under income section 1.

97. Mr. KELLER (United States of America) said it was regrettable that the proposed programme budget for the biennium 1996-1997 made no allowance for ad hoc missions, even though the budget for the current biennium had provided

nearly $50 million for such operations. It was evident that provision must be made for such missions, which were of vital importance. His delegation attached particular importance to MICIVIH. However, given the size of the Mission and its budgetary implications, his delegation would prefer to consider the question of it financing in the context of the overall programme budget for the biennium 1996-1997.

98. The CHAIRMAN said that the Secretary-General's proposal, together with the Advisory Committee's recommendations thereon, would be considered in the context of the proposed programme budget for the biennium 1996-1997.

United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (A/50/7/Add.9; A/C.5/50/26)

99. Mr. TAKASU (Controller) said that, in resolution 48/267, the General Assembly had decided to establish a Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA) for an initial period of six months. In resolution 49/236 A, the General Assembly had decided to authorize the renewal of the mandate of the Mission for a further period of six months. Prior to the adoption of that resolution, the Fifth Committee had informed the General Assembly that an additional appropriation of $10,069,600 would be required for the biennium 1994-1995 for activities during the period from 1 April to 30 September 1995, and that should the General Assembly decide to extend the Mission's mandate further, he should be authorized to enter into commitments in an amount not to exceed $4,711,500 under section 4 of the programme budget for the biennium 1994-1995 for activities during the period 1 October to 31 December 1995.

100. The additional appropriation required under section 3 of the proposed programme budget for the biennium 1996-1997, for the Mission's activities for the period from 1 January to 31 March 1996, had been estimated at $7,299,800. An additional appropriation of $587,000 would also be required under section 32, offset by the same amount under income section 1.

101. The monthly recurring cost of the Mission had been estimated at $2,347,000. The Secretary-General recommended that, should the General Assembly decide to extend the Mission's mandate beyond 31 March 1996, he should be authorized to enter into commitments in an amount not exceeding a monthly level of $2,347,000 for the duration of the mandate.

102. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, overall, the Advisory Committee's recommendations represented a slight downward revision of the Secretary-General's estimates. Specifically, the Committee had not been convinced that an additional P-5 post for the Mission was justified and believed that, with an overall restructuring and streamlining of the functions being performed by the current number of staff at the P-5 level, the political requirements of the Mission could be met within existing resources.

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103. The Advisory Committee believed that United Nations Volunteers (UNVs) were capable of performing various services at a relatively low cost. It therefore recommended that the Secretariat should explore the possibility of Volunteers performing tasks in the regional offices and any additional functions that had been assigned to Political Affairs Officers.

104. The Advisory Committee believed that savings could be realized in other areas of the estimates. While the Committee did not object to the request for additional funds for consultancy services, it recommended that the Secretariat should explore the possibility of financing those services from the Trust Fund. It also recommended that a more cost-effective arrangement should be developed with regard to contracts for the rental of aircraft, which should be renegotiated on an "as required" basis.

105. The Advisory Committee believed that an additional appropriation of $7,124,800 under section 3 of the proposed programme budget for the biennium 1996-1997 would be required for the period from 1 January to 31 March 1996. An additional appropriation of $554,800 would be required under section 32, offset by the same amount under income section 1.

106. Should the General Assembly decide to extend the Mission's mandate beyond 31 March 1996, the Advisory Committee recommended that the Secretary-General should be authorized to enter into commitments in an amount not exceeding a monthly level of $2,329,700 for the duration of the mandate.

107. Mr. KELLER (United States of America) said it was regrettable that the proposed programme budget for the biennium 1996-1997 contained no appropriations to cover the costs of MINUGUA in 1996, despite the decision by the General Assembly at its forty-ninth session to renew the Mission's mandate. That was a serious error. The value of MINUGUA was evident and it should have been possible to identify some lower priority programmes which could be deleted from the proposed programme budget to offset the costs of MINUGUA.

108. In order to correct that error, MINUGUA should be evaluated within the overall review and approval of the proposed programme budget for the biennium 1996-1997. On that understanding, his delegation was prepared to give immediate support to the Advisory Committee's recommendation for the three-month period from 1 January to 31 March 1996.

109. Ms. RODSMOEN (Norway) said that, together with other members of the Group of Friends of the peace process in Guatemala, Norway had been actively encouraging the peace process and appreciated the role played by the United Nations in the negotiations between the Government of Guatemala and the Unidad Revolucionaria Nacional Guatemalteca (URNG) and the important work carried out by MINUGUA.

110. Her delegation fully supported the Secretary-General's request and, although it would prefer to accept it as it stood, it did not have strong objections to the reductions proposed by the Advisory Committee. Her delegation agreed that the Committee should approve the revised budgetary estimates for MINUGUA forthwith so as to ensure that the Mission could continue to contribute to the achievement of a firm and lasting peace in Guatemala.

111. Mr. IRAGORRI (Colombia), Miss PEÑA (Mexico) and Mr. MUÑOZ (Spain) endorsed the view that the Committee should take a decision at the current meeting in support of the Advisory Committee's recommendations.

112. Mr. TAKASU (Controller) said that, on the question of the procedure followed in the preparation of the proposed programme budget, it was very important to abide strictly by the legislative mandates. The Secretary-General did not include in the budget any resources for which there was no such mandate.

113. In the particular case of MINUGUA, at the time of the submission of the proposed programme budget, the mandate had been extended only until September 1995. It would therefore have been improper for the Secretary-General to include an additional amount for the Mission in the proposed programme budget for the biennium 1996-1997.

114. The CHAIRMAN said that the Secretary-General's proposal, together with the Advisory Committee's recommendations thereon, would be considered in the context of the proposed programme budget for the biennium 1996-1997.

Funding of regional institutes from the regular budget of the United Nations (A/C.5/50/33)

115. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the funding of regional institutes from the regular budget of the United Nations (A/C.5/50/33), said that the report had been prepared in response to a specific request by the Advisory Committee. It was made clear in the report that initially the eight regional institutes/centres which were in receipt of resources from the regular budget of the United Nations had been funded from other sources, with the exception of the Latin American Centre for Economic and Social Documentation (CLADES) and the African Institute for Economic Development and Planning (IDEP). However, those institutes/centres had run into financial difficulties and, on the initiative of intergovernmental organs, the General Assembly had agreed to provide resources from the regular budget, primarily for posts. It was very clear that the General Assembly had not elaborated a general policy on the issue and the Secretary-General had not, on his own initiative, proposed the funding of regional institutes/centres from the regular budget. The Secretary-General felt that, as a rule, activities to be funded from the regular budget should be undertaken by the Secretariat and not be entrusted to institutes and/or centres outside the Secretariat. Such institutes/centres should be created only if there was a viable and adequate source of financing outside the regular budget. However, in order to maintain the operations of institutes/centres which were currently receiving funds from the regular budget, such funding should continue in the biennium 1996-1997.

116. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Secretary-General (A/C.5/50/33) had been submitted pursuant to the Advisory Committee's request that the Secretary-General should propose criteria to determine whether regional institutes should be funded from the regular budget of the United Nations and the subsequent decision of the General Assembly (decision 49/480) that future requests for funding for regional institutes should be considered only on the basis of criteria proposed by the Secretary-General and approved by the General

Assembly. As indicated in paragraph 2 of the Secretary-General's report, there were currently eight regional institutes/centres which were receiving resources from the regular budget of the United Nations; the functions of those institutes/centres and the circumstances that had led to their receipt of funds from the regular budget were outlined in paragraphs 4 to 24 of the Secretary-General's report.

117. The Advisory Committee welcomed the comprehensive information provided in the report. Although the common theme appeared to be a decline over the years in voluntary funding for the institutes/centres, the Advisory Committee noted that the circumstances in each case were different and that the General Assembly's approach in granting approval for funding had been on a case-by-case basis. Moreover, whereas the first five institutes/centres mentioned in the Secretary-General's report had been established either by regional legislative bodies or by the Economic and Social Council, the three relating to disarmament had been established by resolutions of the General Assembly itself.

118. The Advisory Committee took note of the Secretary-General's comments in paragraph 26 of his report and, in that connection, recalled recommendation 62 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (A/41/49) concerning the practice of transferring extrabudgetary posts to the regular budget. The report of the Secretary-General did not define exactly what constituted "outside" the Secretariat. The Advisory Committee was aware that some of the entities had de facto become part and parcel of the secretariats of the regional commissions and were responsible for carrying out substantive programmes outlined in the medium-term plan of the Organization. It understood that those staff members in the institutes/centres who were funded from the regular budget of the United Nations were United Nations staff, subject to the Staff Regulations and Rules, except that their employment was generally restricted to the particular institute or centre.

119. The Secretary-General recommended that those institutes/centres which were currently receiving funds from the regular budget should continue to do so in the biennium 1996-1997, but made no proposal for alternative funding. Moreover, the report did not directly respond to the Advisory Committee's request for specific criteria to determine whether regional institutes should be funded from the regular budget. It would be for the General Assembly to decide whether the establishment of criteria for general application should be pursued or whether the question of regular budget support for regional institutes/centres should continue to be decided on a case-by-case basis.

120. Mr. KELLER (United States of America) said that the report of the Secretary-General clearly showed the lack of a consistent policy for the funding of regional institutes and centres. The Secretary-General drew the clear conclusion that activities to be funded from the regular budget should be undertaken by the Secretariat and that regional institutes/centres should be created only if financing could be found outside the regular budget. His delegation could not accept the Secretary-General's final conclusion that such funding should continue at least for the biennium 1996-1997, since that view was not supported by any of the evidence presented in the report. His delegation requested the Secretariat to provide a statement of the estimated full costs

involved in funding the institutes/centres from the proposed programme budget for the biennium 1996-1997 and an indication or estimate of the expenditures during the current biennium.

121. The report of the Secretary-General clearly identified a problem which could easily be resolved. His delegation therefore proposed that the Committee should decide that all funding for institutes/centres that were not under the direct control of the United Nations Secretariat should be terminated and deleted from the programme budget for the biennium 1996-1997. Such a decision would regularize the budget presentation and would be consistent with the principle that those bodies should not have recourse to regular budget funding. It would also serve to focus the attention of interested Member States on the utility and value of those institutes and centres. Interested States and private sources would then be able to guide and make use of those bodies without direct, indirect and/or partial control by the United Nations Secretariat through the "power of the purse".

122. Mr. ETUKET (Uganda) said that his delegation still valued the contribution made by the various institutes currently receiving support from the regular budget in pursuit of the objectives of the United Nations, especially in areas identified by the General Assembly as priority areas. It therefore supported the continued provision of support from the regular budget for such institutes and centres. His delegation noted that, during the consideration of regional centres for peace and disarmament in the First Committee, the Secretariat had indicated that most of those centres would have to be closed because of the financial situation. It therefore sought clarification, in the light of the statement made in paragraph 26 of the Secretary-General's report.

123. Mr. NKOUNKOU (Congo) said that the regional institutes played a very important role; his delegation therefore supported their financing from the regular budget for the next biennium.

124. Mr. ELZIMAITY (Egypt) said that, while it appreciated the concerns of certain delegations, his delegation could not support a decision to deprive regional institutes of funding as of January 1996. It felt that the funding should be continued during the next biennium.

125. Mrs. RODRIGUEZ ABASCAL (Cuba) said that her delegation fully supported the views expressed by the two previous speakers.

126. Mr. TAKASU (Controller) said that, when the question of the financing of regional centres for peace and disarmament had come up in the First Committee, the representative of the Secretary-General had made it clear that the support from the regular budget would not be sufficient for those centres, unless there was an increase in voluntary contributions. The First Committee had adopted draft resolution A/C.1/50/L.24, in which, inter alia, it requested the Secretary-General to explore new alternative ways of financial resources and to report to the General Assembly at its fifty-first session.

127. Mr. ETUKET (Uganda) said that, in that draft resolution, the Secretary-General was also requested to continue providing all necessary support to the regional centres in fulfilling their mandates. He was therefore clearly

mandated to continue to provide funds from the regular budget for the time being.

128. The CHAIRMAN said that the Secretary-General's proposal, together with the Advisory Committee's recommendations thereon, would be considered in the context of the proposed programme budget for the biennium 1996-1997.

The meeting rose at 6.55 p.m.